

Executive Session Meeting Minutes February 10, 2021

Chairman Philip Y. Brown called the meeting to order at 11:45 AM. He then stated that the Commission meeting is being tape recorded and this will be so noted in the minutes.

Chairman Brown acknowledged the other Commission members in attendance: Commissioners Timothy Dooling, Kathy Fallon, Kate Fitzpatrick, James Machado, Richard MacKinnon, Jennifer Sullivan. All attendees participated remotely pursuant to Governor Charles Baker's Executive Order dated March 12, 2020. Therefore, the Chairman announced, any votes in this meeting shall be taken by roll call vote.

PERAC Staff participating remotely: Executive Director John Parsons, Deputy Executive Director Caroline Carcia, General Counsel Judith Corrigan, Assistant Deputy Director Bill Keefe, Assistant Deputy Director Ken Hill, Compliance Director Tom O'Donnell, Director of Audits Caryn Shea, Senior Associate General Counsel Patrick Charles, Associate General Counsel Katie Brady, Project Manager Tony Tse, Auditor Richard Wrona, and Senior Executive Assistant Kim Boisvert.

Purpose 7 – Hampden County Retirement Board Audit

Ms. Shea reported that the Hampden County Retirement System audit is ready to be released and would be posted to the PERAC Website, but the staff would like to discuss certain matters with the Commission prior to doing so. She continued that a full audit had been done, that there were six (6) findings. The staff recommends forwarding this Audit to the State Ethics Commission.

Ms. Shea reported each finding in detail as follows:

1. Board Expenses – Services not received from over 50 vendors totaling over \$235,000
2. Bank Service Charges – Retirement Board changed banks to eliminate service charges
3. Board Attorneys were treated as becoming full time employees, received health insurance, and were enrolled in the retirement system
4. Chapter 268A Violation – Three retirement board members attended a consultant conference. The consultant paid for all expenses. The same consultant was selected as a retirement board vendor.
5. Violations of Sections 1 and 3 – Other findings included certain board members being enrolled in the Social Security System, the Chairman voting on his own salary increase, and no documentation being produced for over-time earnings
6. Travel expenses – Reimbursements were made for lodging expenses at a non-existent address.

The Commission asked many questions and Ms. Shea and Mr. Wrona responded to those questions. The Commissioners inquired who would be notified of this audit. Mr. Parsons stated that he wanted to notify the Commission first, then send it to the Retirement Board, the legislative body, the town managers and any other entity that the Commission requests. The Commissioners then congratulated the Auditors on their thorough work on this matter.

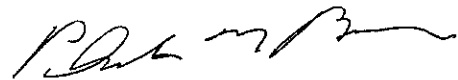
Commissioner Machado made a motion to refer this matter to the State Ethics Commission, the Inspector General and the Attorney General. Commissioner Fitzpatrick seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, James Machado YES, and Richard MacKinnon YES, and Jennifer Sullivan YES, and the minutes motion was adopted.

Commissioner Fallon made a motion to adjourn the meeting. Commissioner MacKinnon seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, James Machado YES, and Richard MacKinnon YES, and Jennifer Sullivan YES, and the motion was adopted. The meeting adjourned at 1:25 PM.

Approved:

A handwritten signature in black ink, appearing to read 'Philip Y. Brown', written in a cursive style.

Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission